



DISASTER NEWS

Economic Injury Loans for Small Businesses

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SBA DISASTER LOAN DEADLINE IS SEPTEMBER 12 SMALL BUSINESS OWNERS STILL HAVE TIME TO APPLY

ST. CLOUD, Minn. - The U.S. Small Business Administration (SBA) announced today that September 12 is the filing deadline for federal disaster loans that are available to small, non-farm, agriculture-dependent businesses located in the counties of Clay and Norman in the State of Minnesota.

“These counties are eligible because they are contiguous to one or more primary counties in the State of North Dakota. SBA recognizes that disasters don’t usually stop at the county or state lines. For that reason, counties adjacent to primary counties named in the declaration are included,” according to SBA Acting Disaster Area Director Frank Skaggs.

“SBA’s disaster declaration was issued as a result of a similar action taken by the Secretary of Agriculture to help farmers recover from damages and losses to crops caused by frost and freezing temperatures that occurred August 16 through 23, 2004,” Skaggs said.

Under this declaration, SBA’s Economic Injury Disaster Loan (EIDL) program is available to small, non-farm, agriculture-dependent businesses and small agricultural cooperatives that suffered economic injury as a direct result of the weather’s effect on agricultural producers. A business that sells goods/services to agricultural producers may be unable to pay bills and/or meet expenses because of the reduced purchasing power of farmers and ranchers. Examples of eligible businesses are, but not limited to, farm implement dealers, seed and feed stores and spraying and irrigation businesses.

Eligible small businesses may qualify for loans of up to 1.5 million. These loans are available at a 3.061 percent interest rate with loan terms up to 30 years. SBA determines eligibility for the program based on the size and type of business and its financial resources. Loan amounts and terms are set by SBA and are based upon each applicant’s financial condition. Under this disaster declaration, SBA cannot provide loans to agricultural producers, and cannot provide loans to non-agricultural dependent businesses.

“SBA can help these small businesses overcome their economic injuries by offering these working capital loans, but the help cannot start until they apply,” Skaggs added.

Interested business owners should contact SBA by calling the toll-free at 1-800-359-2227 or 404/347-3751 for the hearing impaired or visit SBA’s website at www.sba.gov/disaster for more information and to obtain a loan application. Completed applications should be returned to: U.S. Small Business Administration Disaster Assistance Area 2 Office at One Baltimore Place, Suite 300, Atlanta, Georgia 30308.

Completed loan applications must be returned to SBA no later than September 12, 2005.

For more information visit SBA’s website at www.sba.gov/disaster

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